**THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY**

**WRIT PETITION No.24870 of 1996**

**DATED: 28-2-2007**

**Between:**

**The Managtement of**
**M/s.Durgabai Deshmukh Hospital &**
**Research Centre,**
**Hyderabad.**

**... Petitioner.**

**And**

**The Presiding Officer,**
**Labour Court-I, Hyderabad.**

**And others.**

**... Respondents.**

**THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY**

**WRIT PETITION No.24870 of 1996**

**ORDER:**

This writ petition is filed questioning the award of the Labour Court-I, Hyderabad made in I.D.No.2 of 1995 dated 27.7.1996 whereby it has set aside the order dated 12.9.1994 passed by the petitioner and directed reinstatement of the second respondent with 50% of back wages and continuity of service with other attendant benefits.

The second respondent was appointed on 13.4.1993 as staff nurse in the petitioner hospital on consolidated salary of Rs.1200/- per month subject to certain conditions which include, the duration of her appointment being six months and that the appointment can be terminated without notice at any time. Subsequently by office orders dated 3.1.1994 and 28.3.1994 the services of the second respondent were extended. In the last of the office orders the extended service was to come to an end by 4.10.1994. On 12.9.1994 the petitioner informed the second respondent that her services are not extended further with effect from 5.10.1994. Questioning the non-extension of her service, she raised an industrial dispute before the first respondent – Labour Court, which, as already noted above, set aside the office order dated 12.9.1994 and directed reinstatement with the conditions already mentioned herein above.

Repeated attempts to serve notices on the second respondent

could not succeed as the endorsement on the envelops show "party left or no such number exists." It is presumed that the second respondent deliberately avoiding receipt of notice as she never entered appearance even on the basis of her own enquiries. It is therefore, deemed that there is proper service of notice on the second respondent.

Sri Nageshwar Sri, learned counsel appearing for the petitioner submitted that the petitioner was appointed for a specific period which was subsequently extended on two occasions and that eventually the petitioner informed the second respondent that her services will not be extended from 5.10.1994. He submits that the order terminating services of the second respondent squarely falls under Section 2(OO) (bb) of the Industrial Disputes Act 1947 (for short 'the Act'). He further submitted that the Labour Court having taken note of the said provision committed a grievous error in holding that the office order dated 12.9.1994 constitutes termination of services of the second respondent without notice and in violation of Section 25-F of the Act.

I have considered the submissions of the learned counsel for the petitioner and I find myself in agreement with the same.

Section 2(OO)(bb) of the Act read as under:

> *" (OO) 'Retrenchment' means the termination by the employer of the service of a workman for any reason whatsoever otherwise than as a punishment inflicted by way of disciplinary action but does not include:*
>
> *(bb) Termination of the services of the workman as a result of the non-renewal of the contract of the employment between the employer and the workman concerned on its expiry or of such contract terminated under a stipulation in that behalf of contained therein."*

From the facts of the present case it is clear that the appointment orders issued by the petitioner to the second respondent were for fixed

tenure and all that the office order impugned before the Labour Court mentioned was that the services of the second respondent will not be extended on expiry of the period last renewed. It therefore, squarely falls under Section 2(OO) (bb) of the Act as the impugned office order amounts to non-renewal of the contract of employment between the petitioner and the second respondent. Since it does not constitute retrenchment within the meaning of Section 2(OO) of the Act, the provisions of Section 25-F of the Act has no application and there was no obligation on the part of the petitioner to give any notice or to pay compensation in lieu of the notice. I am of the view that the Labour Court grossly erred in construing the impugned order of discontinuing the second respondent as retrenchment and applying the provisions of Section 25-F of the Act.

For the aforementioned reasons, the award of the Labour Court is unsustainable and is accordingly set aside. The writ petition is allowed. No order as to costs.

**C.V.NAGARJUNA REDDY,J**

Date:28.02.2007
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